

Subject House Higher Education Budget and Policy

Authors Wolgamott and Rarick

Analyst Nathan Hopkins

Date June 6, 2025

Overview

This is the higher education budget and policy bill for 2025. In the 2025 regular session, this was H.F. 2431. That bill was in conference committee when the legislature adjourned. This current file was introduced in the first special session and reflects the agreement negotiated by that conference committee.

The bill has two articles. The first article contains appropriations for the coming biennium, fiscal years 2026 and 2027. The second article contains higher education policy provisions.

Article 1: Appropriations

This article appropriates funds to the Minnesota Office of Higher Education (OHE), the Minnesota State Colleges and Universities system (MnState), and the University of Minnesota system (UMN). Note that base appropriations to the Mayo Clinic are not funded. Notable changes from the base budget are underlined.

Section	Description – Article 1: Appropriations
1	Higher education appropriations. Specifies that appropriations contained in the bill are for fiscal years 2026 (FY26 or the first year of the biennium) and 2027 (FY27 or the second year of the biennium). Appropriations are from the general fund unless stated otherwise.
2	Minnesota Office of Higher Education. Note that the following programs have been moved to the new “Transfers” section of this article: the spinal cord and traumatic brain injury research grants; dual training competency grants; large animal veterinary loan forgiveness; agricultural educator loan forgiveness; inclusive higher education grants; and North Star Promise scholarships. Also, <u>the following appropriations with a base for FY26 and FY27 are not funded: aviation degree loan forgiveness; student loan debt counseling; teacher</u>

Section Description – Article 1: Appropriations

shortage loan repayment; and concurrent enrollment grants. Statutes establishing these unfunded programs are repealed in article 2, section 63.

Subd. 1. Total appropriation. Appropriates \$323.789M in FY26 and \$324.008M in FY27 to OHE, as described below. Note that this total appropriation does not account for programs that previously had appropriations to OHE and have now been moved to the new “Transfers” section of this article. The total biennial value of those programs is \$112.504M.

Subd. 2. State grants. Appropriates \$247.3M per year—with transfer authority between years if needed—for the state grant program under Minn. Stat. § 136A.121. This is \$44.468M above base for the biennium. The base for FY28 and later reduces to \$238.467M. Also specifies a maximum tuition and fee amount for four-year programs which will apply in FY26 and FY27.

Subd. 3. Child care grants. Appropriates \$6.944M per year for child care grants under Minn. Stat. § 136A.125. This is \$500K above base for the biennium.

Subd. 4. State work-study. Appropriates \$11.752M per year for work-study grants under Minn. Stat. § 136A.233. This is \$5.5M below base for the biennium.

Subd. 5. Interstate tuition reciprocity. Appropriates base-level funding of \$8.5M per year—with transfer authority between years if needed—to pay obligations arising from tuition reciprocity agreements under Minn. Stat. § 136A.08.

Subd. 6. Safety officer’s survivor grants. Appropriates base-level funding of \$100K per year—with transfer authority between years if needed—to provide postsecondary education benefits to eligible dependent children and spouses of public safety officers killed in the line of duty pursuant to Minn. Stat. § 299A.45.

Subd. 7. American Indian scholarships. Appropriates base-level funding of \$3.5M per year for the American Indian scholarship program under Minn. Stat. § 136A.126. Rider language for this appropriation requires that at least one person with demonstrated competence in American Indian culture and who lives in or near Bemidji be employed to assist students with the American Indian scholarship and other financial aid programs at Bemidji State University.

Subd. 8. Tribal college supplemental assistance grants. Appropriates base-level funding of \$3.15M per year for Tribal college supplemental grant assistance under Minn. Stat. § 136A.1796. A \$1M per college minimum and \$1.05M per college maximum grant amount is established. The allocation formula for this program is also changed in article 2, section 26.

Section Description – Article 1: Appropriations

Subd. 9. Intervention for college attendance program (ICAP) grants.

Appropriates base-level funding of \$1.142M in FY26 and \$1.142M in FY27 for ICAP grants under Minn. Stat. § 136A.861.

Subd. 10. Information for students and parents. Appropriates base-level funding of \$122K per year to provide information on planning for postsecondary education to students and parents under Minn. Stat. § 136A.87.

Subd. 11. Get Ready! Appropriates base-level funding of \$180K per year to OHE's Get Ready initiative, a college and career readiness program.

Subd. 12. Minnesota Education Equity Partnership. Appropriates base-level funding of \$45K per year for a pass-through grant to the Minnesota Education Equity Partnership, a nonprofit organization focused on education equity for students of color and American Indian students.

Subd. 13. Midwest Higher Education Compact. Appropriates base-level funding of \$115K per year to pay member-state fees for the Midwest Higher Education Compact, an interstate compact established in Minnesota under Minn. Stat. § 135A.20.

Subd. 14. United Family Medicine residency program. Appropriates base-level funding of \$501K per year for a pass-through grant to the United Family Medicine residency program to support up to 21 resident physicians in family practice. The program is intended to train doctors to practice family medicine in underserved urban and rural areas of the state.

Subd. 15. MnLINK gateway and Minitex. Appropriates base-level funding of \$6.655M in FY26 and \$6.708M in FY27 for a pass-through grant for Minitex and MnLINK, a library network that facilitates resource sharing.

Subd. 16. Statewide Longitudinal Education Data System (SLEDs). Appropriates base-level funding of \$2.55M per year for SLEDs, an interagency database project that matches student data from prekindergarten through completion of postsecondary education and into the workforce.

Subd. 17. Hennepin Healthcare. Appropriates base-level funding of \$645K per year for a pass-through grant to Hennepin Healthcare for graduate family medical education programs.

Subd. 18. Summer academic enrichment. Appropriates base-level funding of \$250K per year for grants under Minn. Stat. § 136A.091 to postsecondary

Section Description – Article 1: Appropriations

institutions and nonprofit organizations to support academic summer programs for elementary and secondary students.

Subd. 19. Campus sexual violence prevention and response coordinator.

Appropriates base-level funding of \$150K per year to fund a staff position, trainings, and instructional materials. These resources are intended to provide guidance to postsecondary institutions on the best practices for preventing and responding to campus sexual assault.

Subd. 20. Emergency assistance for postsecondary students. Appropriates \$550K per year for emergency assistance grants to students at nonprofit private postsecondary institutions and Tribal colleges. This is \$6.058M below base for the biennium, but note that the entirety of this reduction is simply shifted to a direct appropriation to MnState and UMN in section 3, subdivision 4(b), and section 4, subdivision 7(d), respectively. The rider specifies requirements for the grants.

Subd. 21. Grants to student teachers in shortage areas. Appropriates \$250K per year for grants to low-income teacher candidates who intend to teach in a license shortage area or rural school district after graduation under Minn. Stat. § 136A.1275. This is \$500K below base for the biennium.

Subd. 22. Grants to underrepresented student teachers. Appropriates base-level funding of \$1.125M per year for grants to student teachers from underrepresented racial or ethnic groups under Minn. Stat. § 136A.1274.

Subd. 23. Grants for students with intellectual and developmental disabilities. Appropriates base-level funding of \$200K per year for grants under Minn. Stat. § 136A.1215 to students with intellectual disabilities who are enrolled in a comprehensive transition and postsecondary program as defined in Code of Federal Regulations, title 34, section 668.231.

Subd. 24. Loan repayment assistance program. Appropriates base-level funding of \$55K per year for a grant to the Loan Repayment Assistance Program (LRAP) of Minnesota. The LRAP of Minnesota is a nonprofit organization that works to reduce the education debt burden of public interest lawyers who represent low-income clients. The grant must be used to provide education debt relief to attorneys with full-time employment providing legal advice or representation to low-income clients or support services for similar work.

Subd. 25. Hunger-free campus grants. Appropriates \$200K per year for competitive, partial-matching grants to nonprofit private postsecondary institutions and Tribal colleges to combat food insecurity among students on

Section Description – Article 1: Appropriations

campus. This is \$1.6M per year below base for the biennium, but note that the entirety of this reduction is simply shifted to a direct appropriation to MnState and UMN in section 3, subdivision 4(c), and section 4, subdivision 7(e), respectively. Note also that the statutory hunger-free grant program under Minn. Stat. § 135A.137 is repealed in article 2, section 63.

Subd. 26. Fostering independence higher education grants. Appropriates \$8.416M per year for a last-dollar grant program for students who are currently or were formerly in foster care under Minn. Stat. § 136A.1241. This is \$8M above base for the biennium.

Subd. 27. Student parent support initiative. Appropriates base-level funding of \$3M per year for grants to postsecondary institutions and partnering entities to assist students who are expectant parents and parents of young children under Minn. Stat. § 136A.1251.

Subd. 28. Director of Tribal relations. Appropriates base-level funding of \$134K per year for a director of Tribal relations position within OHE. This person helps fulfill OHE's obligations to consult with Tribal Nations. See Minn. Stat. §§ 10.65, subd. 3; 136A.032.

Subd. 29. Direct admissions program. Appropriates base-level funding of \$650K per year for the direct admissions program under Minn. Stat. § 136A.84.

Subd. 30. American Indian scholars. Appropriates base-level funding of \$8.5M per year in new funding to provide full tuition and fee waivers for certain American Indian students at Minnesota public postsecondary institutions under Minn. Stat. § 135A.121. The appropriated amount is divided between the MnState and UMN systems and then transferred.

Subd. 31. Inclusive higher education. Appropriates base-level funding of \$250K per year for the Inclusive Higher Education Technical Assistance Center under Minn. Stat. § 135A.161. The appropriation for grants under Minn. Stat. § 135A.162 has been moved to the new "Transfers" section of this article.

Subd. 32. Addiction medicine graduate medical fellowship. Appropriates base-level funding of \$270K per year, with transfer authority between years if necessary, for a grant to Hennepin County Medical Center to support up to six addiction medicine fellows.

Subd. 33. Unemployment insurance aid. Appropriates base-level funding of \$158K per year in new funding for unemployment insurance aid to Tribal colleges under Minn. Stat. § 268.193.

Section Description – Article 1: Appropriations

Subd. 34. North Star Promise; administrative costs. Appropriates base-level funding of \$202K per year for administrative and promotional costs of the North Star Promise program. The main appropriation for the program has been moved to the new “Transfers” section of this article.

Subd. 35. Agency administration. Appropriates \$6.219M in FY26 and \$6.385M in FY27 for OHE agency administration. This is \$1.246M above base for the biennium. The increased funding will be used to pay for cost increases related to delivery of current services. Also of note: the \$25K per year base appropriation for campus sexual assault reporting under Minn. Stat. § 135A.15, subdivision 6, has been rolled up into this agency administration appropriation.

Subd. 36. Balances forward. For all appropriations in this section, allows any positive balance in the first year to carry forward to the second year.

Subd. 37. Transfers. Permits transfer of funds between certain programs, with prior notice to the legislature.

3 Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 1. Total appropriation. Specifies the total appropriation for the MnState system: \$879.039M in FY26, and \$878.550M in FY27.

Subd. 2. Central office and shared services unit. Appropriates base-level funding of \$36.401M per year for the system’s central office.

Subd. 3. Operations and maintenance. Appropriates \$830.873M in FY26 and \$830.384M in FY27 for general operations and maintenance. This is an increase of \$500K above base for the biennium, with the increase occurring in the first year only as a result of PFAS remediation funding. The rider paragraphs below attach various restrictions and requirements on these funds and specify how certain amounts must be spent.

- a) Dedicates a base-level amount of \$5.7M per year to provide supplemental aid to state colleges with campuses outside of a metropolitan county.
- b) Requests MnState to help improve retention and completion for students of color.
- c) Dedicates a base-level amount of \$9.5M per year for systemwide technology, including upgrading the Integrated Statewide Record System.

Section Description – Article 1: Appropriations

- d) Dedicates a base-level amount of \$50K per year for open educational resources, including under the Z-Degree textbook program under Minn. Stat. § 136F.305.
- e) Dedicates a base-level amount of \$3.158M per year for student support, which may be spent for the specified purposes.
- f) Dedicates base-level amounts of \$883K in FY26 and \$894K in FY27 to increased employer contribution rates for retirement accounts under Minn. Stat. § 354B.23, subdivision 3.
- g) Dedicates a base-level amount of \$282K per year for access to menstrual products under Minn. Stat. § 135A.1365.
- h) Dedicates a base-level amount of \$809K per year for unemployment insurance aid under Minn. Stat. § 268.193.
- i) Dedicates \$500K per year for Metropolitan State University’s juvenile justice initiatives. This appropriation (at this same amount) was previously carried in the public safety omnibus bill. See Laws 2023, ch. 52, art. 2, § 8.
- j) Dedicates \$500K in FY26 of new, onetime funding for PFAS remediation of Lake Superior College.

Subd. 4. Direct student support. Appropriates \$7.35M in each year for general direct student support programs. The rider paragraphs below attach various restrictions and requirements on these funds and specify how certain amounts must be spent. Note: this is a new subdivision that contains appropriations which would previously have been riders within operations and maintenance.

- a) Dedicates a base-level amount of \$4.5M per year to workforce development scholarships under Minn. Stat. § 136F.38. In FY27 only, \$500K of the amount is for the law enforcement grant pilot program under article 2, section 61.
- b) Dedicates \$2.25M per year in new, ongoing funding for emergency assistance grants for students, which must be awarded based on the criteria in the rider. In previous years, this funding was appropriated to OHE and dedicated to MnState.
- c) Dedicates \$600K per year in new, ongoing funding for hunger-free campus activities, which must be used based on the criteria in the rider. This rider is related to the reduction of OHE’s hunger-free

Section Description – Article 1: Appropriations

campus appropriation at section 2, subdivision 25, and the repeal of the hunger-free campus grant program under Minn. Stat. § 135A.137.

Subd. 5. Cook County Higher Education Board. Appropriates base-level funding of \$300K per year for a grant to the Cook County Higher Education Board to provide educational programming, workforce development, and academic support to remote regions in northeast Minnesota. This was previously a rider within MnState's operations and maintenance appropriation.

Subd. 6. Learning Network of Minnesota. Appropriates base-level funding of \$4.115M per year for the Learning Network of Minnesota, a statewide telecommunications and technology network.

4 Board of Regents of the University of Minnesota.

This section has been significantly reorganized, as compared to prior years. Current riders have been pulled out of the operations and maintenance appropriation and placed into various new, thematically organized "special appropriations." Also, riders from previous budget acts that had been "rolled up" into general appropriations have been restored where UMN has continued to utilize state funding for those same purposes.

Subd. 1. Total appropriation. Specifies the total appropriation for the university system: \$754.770M in FY26 and \$739.508M in FY27. This subdivision also breaks down the amounts appropriated from the general fund and the health care access fund.

Subd. 2. Operations and maintenance. Appropriates \$644.018M in FY26 and \$644.018M in FY 27 for operations and maintenance. This is an increase of \$1M above base for the biennium. The rider paragraphs below attach various restrictions and requirements on these funds, and specify how certain amounts must be spent.

Subd. 3. Special appropriations; research and innovation. Appropriates \$42.554M in FY26 and \$27.292M in FY27 for the purposes specified in the rider paragraphs below. Note that the larger appropriation in the first year is due to the ALS research appropriation in paragraph (g). Also, the base appropriation of \$7.991M per year for the UMN and Mayo Foundation partnership for biotechnology and medical genomics and for Alzheimer's research grants has not been funded.

- a) Dedicates a base-level amount of \$12M per year for Medical Discovery Teams.

Section Description – Article 1: Appropriations

- b) Dedicates a base-level amount of \$2.15M per year for the Clinical and Translational Science Institute.
- c) Permits the transfer of unencumbered balances between paragraphs (a) and (b) as needed.
- d) Dedicates a base-level amount of \$4M per year for the Minnesota Cancer Clinical Trials Network.
- e) Dedicates a base-level amount of \$2.465M per year for health sciences research at the Office of Academic Clinical Affairs and the School of Public Health.
- f) Dedicates a base-level amount for \$3.35M per year for competitive grants for regenerative medicine research and commercialization.
- g) Dedicates \$15.262M in new, onetime funding in FY26 only for a collaborative partnership with the Mayo Clinic for ALS research. This appropriation is available until June 30, 2029. An annual legislative report is required on utilization of the funds. This is a reappropriation of the funds that are canceled in section 6, paragraph (b).
- h) Dedicates a base-level amount of \$77K per year for biomedical engineering.
- k) Dedicates \$2.25M per year for the Cannabis Research Center in the School of Public Health. This appropriation was previously carried in the 2023 cannabis act. See Laws 2023, ch. 63, art. 9, § 18. This is \$2M below base for the biennium. The base appropriation for cannabis genetics and agronomy research, a University of Minnesota Extension position, and a postdoctoral position has also been eliminated.

Subd. 4. Special appropriations; medical training and care. Appropriates \$12.946M per year for the purposes specified in the rider paragraphs below. This appropriation includes \$2.157M per year from the health care access fund for the purposes specified in paragraph (f).

- a) Dedicates a base-level amount of \$1.043M per year for the Rural Physician Associate Program and the Metropolitan Physician Associate Program.
- b) Dedicates a base-level amount of \$6.247M per year for faculty physicians at clinical residency program sites.

Section Description – Article 1: Appropriations

- c) Dedicates a base-level amount of \$346K per year for resident physicians in the St. Cloud Hospital family medicine residency program.
- d) Dedicates \$1.5M per year in new, ongoing funding for residency programs in St. Cloud and Willmar as part of a partnership between the medical school and CentraCare.
- e) Dedicates a base-level amount of \$993K per year for the Mobile Dental Clinic.
- f) Dedicates a base-level amount of \$2.157M from the health care access fund for primary care education initiatives.
- g) Dedicates a base-level amount of \$660K per year for geriatrics education.

Subd. 5. Special appropriations; social sciences. Appropriates \$1.802M per year for the purposes specified in the rider paragraphs below. Note that the base appropriations of \$29K per year for economic development research and \$92K per year for the Humphrey Forum have not been funded.

- a) Dedicates a base-level amount of \$985K per year for the Center for Urban and Regional Affairs.
- b) Dedicates a base-level amount of \$39K per year for the Bureau of Business and Economic Research at the University of Minnesota Duluth.
- c) Dedicates a base-level amount of \$778K per year for industrial relations education at the Carlson School of Management.

Subd. 6. Special appropriations; natural resources management and education. Appropriates \$50.995M per year for the purposes specified in the rider paragraphs below.

- a) Dedicates a base-level amount of \$27.086M per year for the Minnesota Agricultural Experiment Station.
- b) Dedicates a base-level amount of \$15.836M per year for the UMN Extension.
- c) Imposes requirements for funds under paragraphs (a) and (b).

Section Description – Article 1: Appropriations

- d) Dedicates a base-level amount of \$4.414M per year for the Natural Resources Research Institute.
- e) Dedicates a base-level amount of \$1.673M per year for the Veterinary Diagnostic Laboratory.
- f) Dedicates a base-level amount of \$846K per year for the Minnesota Geological Survey.
- g) Dedicates a base-level amount of \$140K per year for the Bell Museum.
- h) Dedicates a base-level amount of \$1M per year for a weather resiliency program at the UMN Extension. This appropriation (at this same amount) was previously carried in the environment and natural resources omnibus bill. *See Laws 2023, ch. 60, art. 10, § 7.*

Subd. 7. Special appropriations; campus management and student support.

Appropriates \$2.455M per year for the purposes specified in the rider paragraphs below. Note that the base appropriation for Indian student tuition waivers at the Morris campus under Minn. Stat. § 137.16 has been rolled up into UMN's general operations and maintenance appropriation, and the base appropriation for the talented youth mathematics program has not been funded.

- a) Dedicates a base-level amount of \$1M per year for campus security and safety measures.
- b) Dedicates a base-level amount of \$366K per year for unemployment insurance aid under Minn. Stat. § 268.193.
- c) Dedicates a base-level amount of \$110K per year for access to menstrual products under Minn. Stat. § 135A.1365.
- d) Dedicates \$779K per year in new, ongoing funding for emergency assistance grants for students, which must be awarded based on the criteria in the rider. In previous years, this funding was appropriated to OHE and dedicated to UMN.
- e) Dedicates \$200K per year in new, ongoing funding for hunger-free campus activities, which must be used based on the criteria in the rider. This rider is related to the reduction of OHE's hunger-free campus appropriation at section 2, subdivision 25, and the repeal of the hunger-free campus grant program under Minn. Stat. § 135A.137.

Section Description – Article 1: Appropriations

5 Transfers.

This is a new section which tracks funds that are being transferred from the general fund to various special revenue fund accounts. Note that the base transfers of \$200K per year for the teacher shortage loan repayment program and \$25K per year for the aviation degree loan repayment program have not been funded.

- a) **Spinal cord injury and traumatic brain injury research grant program.** Transfers \$2.5M per year for grants to support research on spinal cord and traumatic brain injuries under Minn. Stat. § 136A.901. This is \$1M below base for the biennium.
- b) **Dual training competency grants.** Transfers \$3.132M per year for dual training grants under Minn. Stat. § 136A.246. Of this amount, \$132K per year is for transfer to the Department of Labor and Industry to support its role in program administration. This is \$2M below base for the biennium, with the reduction resulting entirely from the elimination of an amount previously reserved for grants to employers in the legal cannabis industry.
- c) **Large animal veterinarian loan forgiveness program.** Transfers \$325K per year for loan forgiveness for large animal veterinarians in rural areas under Minn. Stat. § 136A.1795. This is \$100K below base for the biennium.
- d) **Agricultural educators loan forgiveness program.** Transfers \$45K per year for loan forgiveness for agricultural education teachers under Minn. Stat. § 136A.1794. This is \$10K below base for the biennium.
- e) **Inclusive higher education grant program.** Transfers base-level funding of \$750K per year for inclusive higher education grants under Minn. Stat. § 135A.162.
- f) **North Star Promise scholarships.** Transfers base-level funding of \$49.5M per year for North Star Promise scholarships under Minn. Stat. § 135A.1465.

6 Cancellations.

- a) Cancels \$500K in funds previously appropriated to MnState for the “Kids on Campus” initiative.
- b) Cancels \$15,262,263 in funds previously appropriated to OHE for ALS research grants. These funds are reappropriated to UMN for ALS research in section 4.

Article 2: Higher Education Provisions

This article contains higher education policy provisions, which include changes to existing programs and regulatory laws.

Section	Description – Article 2: Higher Education Provisions
1	Statement of missions. Allows MnState Universities to offer applied doctoral degrees in cybersecurity.
2	Opiate antagonist. Creates a new statute requiring MnState and requesting UMN to maintain a supply of nasal opiate antagonist at each campus residential building. Requires the commissioner of health to assist postsecondary institutions with training and planning regarding opiate antagonists.
3	Campus sexual misconduct grievance procedures: Definitions. Amends the definitions for the statute regarding campus sexual misconduct grievance procedures to add a definition of “retaliation.” The new term is used in the following section.
4	Campus sexual misconduct grievance procedures. Amends requirements for Minnesota postsecondary institutions regarding procedures for adjudicating campus sexual misconduct allegations. Among other notable changes, this section allows institutions to use the “preponderance of the evidence” standard of proof or any higher standard (e.g. “clear and convincing evidence”), and requires institutions to hold a hearing related to disciplinary action if requested by either the reporting or responding party.
5	Protections for pregnant and parenting students. Extends the requirements in this section to private postsecondary institutions. Provides a definition for “pregnancy or related conditions” that cross-references the definition of the same term in federal regulations.
6	Treatment of appropriations. Allows OHE to retain for administrative purposes up to ten percent of an amount appropriated for a competitive grant program and up to five percent for a legislatively named or formula grant program, unless a different amount is specified in law for program administration.
7	Consolidated competitive grant and student loan repayment program reporting. Allows OHE to consolidate mandated legislative reports for various programs into a single report. The following programs are affected: student-parent support initiative; aviation degree loan forgiveness; teacher shortage loan forgiveness; agriculture

Section Description – Article 2: Higher Education Provisions

- education loan forgiveness; large animal veterinarian loan forgiveness; and intervention for college attendance program grants.
- 8-12 **College Financing Literacy Act.**
Creates five new statutory sections requiring OHE to develop a standardized financial aid offer form that postsecondary institutions eligible for statute financial aid must use when sending financial aid offers to prospective and current students. Institutions would be required to use the new form beginning in the 2028-2029 academic year.
- 13 **State grant program: Assigned family responsibility.**
Amends the definition of “assigned family responsibility” (AFR) for the state grant program to:
- for dependent students:
 - increase the AFR for dependent students from 79 percent to 95 percent of the federally determined parental contribution amount if that amount is greater than zero; and
 - if the parental contribution is less than zero, set AFR at 50 percent of the amount of the negative parental contribution, subject to a -\$1,500 floor; and
 - for independent students:
 - if the federally determined student contribution is less than zero, set AFR at 50 percent of the amount of the negative student contribution, subject to a -\$1,500 floor.
- 14 **Institutional eligibility requirements.**
Makes clarifying changes to the statute.
- 15 **State grant program: Cost of attendance.**
Decreases the default living-and-miscellaneous-expense allowance from 115 percent to 106 percent of the federal poverty guidelines for a one person household in Minnesota for nine months.
- 16 **State grant program: Insufficient appropriation.**
Clarifies that, when program funds are insufficient to make full awards to all eligible students, OHE’s authorized rationing procedures may increase AFR above 100 percent of the federally determined parental or student contributions amounts. Also clarifies that authorized surcharges to student AFR amounts may not differentiate among the three classes of student.

Section Description – Article 2: Higher Education Provisions

- 17 **State grant program: Surplus appropriation.**
Amends the statute for when program funds are more than sufficient to make full awards to all eligible students to allow OHE to recognize federally determined parental and student contribution amounts that fall below the -\$1,500 floor in section 13 of this article.
- 18 **State grant program: Award.**
Lowers the maximum lifetime credit cap on state grant awards from 180 credits to 120 credits.
- 19 **State grant program: Deadline.**
Shortens the deadline for state grant applications to 30 days after the start of the term for which the grant is applied.
- 20 **North Star Promise program: Definitions**
Amends the definition of “tuition and fees” to ensure that only resident rates are paid under the program. Related to the change in the following section.
- 21 **North Star Promise program: Resident tuition.**
Requires MnState and requests UMN to ensure that all North Star Promise eligible students receive resident tuition rates. Related to the change in the previous section.
- 22 **North Star Promise program: Conditions for eligibility.**
Sets the deadline for scholarship applications to 30 days after the start of the term for which the scholarship is applied. Also, clarifies that a student who has completed the degree requirements for their first baccalaureate degree is no longer eligible for the scholarship, even if the student has not yet graduated with that baccalaureate degree.
- 23 **SELF loans: Additional institutional eligibility requirements.**
For SELF loans, removes the requirement that OHE determine whether institutions in another state maintain certain academic standards.
- 24 **SELF loans: Classification of data.**
Removes OHE’s “the number of late payments in the previous 12 months” from the list of data elements that OHE may disclose to a consumer credit reporting agency with borrower consent.

Section Description – Article 2: Higher Education Provisions

- 25 **SELF loans: Terms and conditions of loans.**
Consolidates provisions related to OHE’s authority to determine maximum loan amounts per borrower and cumulatively for the program. Removes the current \$140K maximum lifetime limit for an individual student.
- 26 **Tribal college supplemental grant assistance.**
Expands this program to provide financial assistance to Tribal colleges based on beneficiary students (i.e. Minnesota resident students who are members of a recognized Indian Tribe), as well as nonbeneficiary students (i.e. Minnesota resident students who are *not* members of a recognized Indian Tribe).
- 27 **Dual training competency grants: Definitions.**
Amends a definition to specify that certificates, diplomas, or degrees earned under the program must be appropriately accredited.
- 28 **Private and Out-of-State Public Postsecondary Education Act: Criteria for approval.**
For registration, amends the requirement regarding joint and several liability provisions to limit it to unaccredited schools.
- 29 **Private and Out-of-State Public Postsecondary Education Act: Higher Learning Commission accredited institution in Minnesota.**
Expands registration exemptions for institutions covered by this subdivision, and specifies status of an institution while under evaluation for an exemption under this subdivision.
- 30 **Private and Out-of-State Public Postsecondary Education Act: Exemption; state authorization reciprocity agreement schools.**
Increases fees for approving in-state institutions applying to participate in an OHE-administered interstate reciprocity agreement.
- 31 **Private and Out-of-State Public Postsecondary Education Act: Registration fees.**
Increases initial and renewal registration fees for institutions, and scales the fee amounts based on full-time equivalent enrollment.
- 32 **Private Career School Act: Policy; citation.**
Includes a new policy subdivision.
- 33 **Private Career School Act: Person.**
Amends the definition of “person” in this act to exclude the listed entities.

Section Description – Article 2: Higher Education Provisions

- 34 **Private Career School Act: Private career school.**
Amends the definition of “private career school” in this act to exclude the listed types of entities. These have generally been shifted over from the stricken language in the exemption subdivision within section 50 of this article.
- 35 **Private Career School Act: Vocational.**
Adds a definition of “vocational” in this act.
- 36 **Private Career School Act: Trade union.**
Adds a definition of “trade union” in this act.
- 37 **Private Career School Act: Eligible training provider.**
Adds a definition of “eligible training provider” in this act. This is related to federal WIOA funding.
- 38 **Private Career School Act: Eligible training provider list.**
Adds a definition of “eligible training provider list” in this act. This is related to federal WIOA funding.
- 39 **Private Career School Act: State financial aid.**
Adds a definition of “state financial aid” in this act.
- 40 **Private Career School Act: WIOA funding.**
Adds a definition of “WIOA funding” in this act.
- 41 **Private Career School Act: Dual training grant.**
Adds a definition of “dual training grant” in this act that cross-references the dual training competency grant statute.
- 42 **Private Career School Act: Refunds.**
Technical change.
- 43 **Private Career School Act: Bond.**
Removes the bond requirements for certain institutions that use terms like “college” in their names, but which are licensed by another state agency or board.
- 44 **Private Career School Act: Minimum standards.**
Sets a concrete time period for requiring tuition refunds in the event of a school’s dissolution.

Section Description – Article 2: Higher Education Provisions

- 45 **Private Career School Act: Limited license.**
Provides for “limited licenses” for schools already licensed by other state boards, or for schools seeking licensure only to access WIOA funding or receive dual training competency grants. Updated the requirements for a limited license.
- 46 **Private Career School Act: Initial licensure fee.**
Increases fees. Makes conforming changes.
- 47 **Private Career School Act: Renewal licensure fee; late fee.**
Increases fees. Makes conforming changes.
- 48 **Private Career School Act: Solicitor permit fee.**
Increases a fee.
- 49 **Private Career School Act: Multiple location fee.**
Increases fees. Makes conforming changes.
- 50 **Private Career School Act: Exemptions.**
Clarifies that fees and penalties may be imposed if a school does not reapply for an exemption within 90 days of its current exemption expiring. Imposes certain requirements on exempt schools seeking to access WIOA funding or receive the dual training competency grant. Eliminates certain exemptions that have been moved to the definition of “private career school” in section 34 of this article.
- 51 **Private Career School Act: Exemption.**
Technical changes.
- 52 **Private Career School Act: Application.**
Clarifies that fees and penalties may be imposed if a school exempt under this section does not reapply for that exemption within 90 days of its expiration.
- 53 **Planning information for postsecondary education.**
Removes a requirement that OHE gather and share information about postsecondary institutions’ dual credit acceptance policies.
- 54 **Spinal cord and traumatic brain injury research grants: Grant program.**
Limits the kinds of entities that can receive a grant under this section to postsecondary institutions and nonprofit organizations.

Section Description – Article 2: Higher Education Provisions

- 55 **UMN Permanent University Fund: Endowed chair account.**
Technical change.
- 56 **UMN Permanent University Fund: Mineral research; scholarships.**
Amends the statute dividing income from mining royalties for the purposes specified.
- 57 **UMN: Disabled veterans; Landscape Arboretum.**
Expands the existing free unlimited access for disabled veterans to also include one guest of the veteran.
- 58 **Administration of opiate antagonists for drug overdose.**
Allows a nurse or other personnel employed by a postsecondary institution to be authorized by a physician to administer opiate antagonists. Related to the new statute at section 2 of this article.
- 59 **Small issue pool allocation.**
Increases the amount that is available to OHE through the small pool bond allocation program from \$10M to \$25M. These bonds are used to support the SELF loan program.
- 60 **MnState enrollment fraud working group.**
Establishes a working group to develop policy recommendations to prevent fraudulent enrollment in online courses.
- 61 **Law enforcement grants.**
Establishes within MnState a temporary pilot program to provide last-dollar, full tuition and fee grants for Minnesota law enforcement officers and their dependents attending state colleges and universities. This program is set to expire at the end of FY27.
- 62 **Revisor instructions.**
Instructs the revisor to give the listed statutes numbers that put them in more appropriate places.
- 63 **Repealer.**
a) Repeals programs that are not funded: student loan debt counseling; aviation degree loan forgiveness; teacher shortage loan repayment; and concurrent enrollment grants. Repeals the hunger-free campus grant statute, which essentially remains funded but has been restructured. Also repeals subdivisions in licensing and registration statutes related to certain fees.

Section Description – Article 2: Higher Education Provisions

- b) Repeals two reporting requirements entirely. Repeals other reporting requirements that have been consolidated under section 7 of this article.
- c) Repeals the provisions related to OHE's ALS research grants.
- d) Repeals obsolete rules related to the SELF loan program.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn.gov/hrd | 651-296-6753 | Third Floor, Centennial Office Building | St. Paul, MN 55155